

October 18, 2010

*Legislation Would Provide One-Time \$250 Payments to Seniors to Help Offset Lack of Cost-of-Living-Adjustment for Social Security Next Year*

**WASHINGTON, DC**-Today, U.S. Rep. Michael A. Arcuri (NY-24) welcomed an announcement that the U.S. House of Representatives will take up *the Seniors Protection Act (H.R. 5987)*, which would provide Social Security recipients with a one-time \$250 payment. The Social Security Administration (SSA) announced last week that there will be no automatic Cost-of-Living-Adjustment (COLA) for 2011, making it the second consecutive year that Social Security retirees, veterans, and people with disabilities will see no increase in their monthly Social Security, Supplemental Security Income (SSI), VA Pension and Compensation, and Railroad Retirement benefits. This unprecedented situation is a result of the past year's economic conditions and is unrelated to actions taken by Congress or the Administration.

"The lingering effects of the worst economic downturn since the Great Depression mean Americans who need Social Security to survive can barely keep their heads above water," **said Arcuri, a cosponsor of the Seniors Protection Act**

. "We will act quickly to pass a one-time \$250 payment to seniors, veterans, railroad retirees and people with disabilities who receive Social Security to help them make ends meet during this tough time when housing values are down, other retirement income is volatile, and many are facing rising expenses."

The COLA is automatically calculated using data on inflation published by the Bureau of Labor Statistics (BLS). On October 15, 2010, the BLS released the final economic factor that the SSA uses to calculate the annual COLA. In 2009, Social Security recipients saw a 5.8% increase in their benefits as a result of rising costs, the largest increase since 1982. But in 2010, they saw no COLA at all.

This Congress, Arcuri has cosponsored two pieces of legislation that seek to address problems with the way the COLA is currently determined each year. *The CPI for Elderly Consumers Act (H.R. 2365)* and *the CPI for Seniors Act (H.R. 5305)*

would help ensure that seniors dependent on Social Security receive necessary increases in benefits.

Social Security benefit levels are modest - only \$14,000 a year for the average retiree. The median income for senior households is just \$24,000, reflecting how much Social Security means to most elderly Americans. Six in ten seniors rely on Social Security for more than half of their income, and about a third of retirees have little other than Social Security on which to live.

Last year, the American Recovery and Reinvestment Act of 2009 (Recovery Bill) provided seniors and other beneficiaries with a \$250 economic recovery payment to boost the economy and help them weather an anticipated upcoming COLA cutback. In fact, a recent study by the Economic Policy Institute showed that similar payments to seniors in 2009 strengthened the economy, increasing the nation's GDP by 0.5% in the second quarter of the year and creating or saving 125,000 American jobs.

Arcuri has long opposed any attempt to privatize Social Security or cut benefits, including increasing the retirement age. Recently, he was thanked by the Strengthen Social Security Campaign, a coalition of 150 state and national organizations representing 50 million members, for joining over 120 members of Congress in sending a letter to the President opposing any cuts to Social Security.

"Congressman Arcuri said NO to Wall Street and the politicians who want to cut Social Security benefits," **said Eric Kingson, co-chair of the Strengthen Social Security Campaign.** "He clearly understands that Social Security belongs to the people who have worked hard all their lives and contributed taxes to the program. Social Security is a promise to all Americans that has withstood the test of time and represents the best of American values - rewarding hard work, honoring our parents and caring for our neighbors."

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